

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ZHU ZHAI HOLDINGS, LIMITED, and	}	No. 20 C 4985
PETER PUI TAK LEE,		
Plaintiffs,		
v.		
STEVEN IVANKOVICH,	}	July 1, 2021
		Chicago, Illinois
Defendant.		9:30 a.m.
	}	Telephonic Status Hearing

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE SHARON JOHNSON COLEMAN

APPEARANCES:

For the Plaintiffs:	QUINN EMANUEL URQUHART & SULLIVAN, LLP
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	BY: MR. WILL SEARS

(In Person)	QUINN EMANUEL URQUHART & SULLIVAN, LLP
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	Chicago, Illinois 60606
	BY: MR. DAVID LAKIN

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Official Court Reporter
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1 THE CLERK: 20 CV 4985, Zhu Zhai Holdings Limited
2 versus Ivankovich.

3 MR. LAKIN: Good morning, Your Honor.

4 THE COURT: Good morning, Counsel.

5 MR. LAKIN: David Lakin here for Zhu Zhai Holdings.
6 I'm joined by my colleagues Mr. Sears and Mr. Rand will be
7 taking the hearing.

8 THE COURT: All right. And what is the -- what is
9 the status? Do we know? Defendant was supposed to get a new
10 lawyer, correct?

11 MR. SEARS: Good morning, Your Honor. Will Sears,
12 Quinn Emanuel. And thank you for letting me attend via
13 telephone. I know this was scheduled for in person, so we
14 appreciate that.

15 THE COURT: No problem at all, Counsel. My hope had
16 been -- I will just say this: My hope and my -- at least we
17 were told by this time we would be basically in person all over
18 the building, and then that has taken a change. I'm even in a
19 different courtroom. So we are sort of playing it by ear. And
20 so you do have a physical representative here. He was here
21 nice and early. I appreciate it. He's hearing my whole
22 telephone call. Now, he gets to see what we go through when
23 you all are by phone, so he can -- he gets a picture and can
24 relate what happens.

25 But go ahead, Counsel. What have we heard?

1 MR. SEARS: Thank you, Your Honor. The answer to
2 your question is, that's correct, the defendant was supposed to
3 retain a lawyer. As the Court may recall, we had a hearing on
4 May 21st on the eve of the fact discovery deadline.

5 THE COURT: Right.

6 MR. SEARS: His counsel sought leave to withdraw.
7 The Court granted that request. Defendant was present at that
8 hearing. He said he'd get a lawyer and that he needed 30 days.
9 The Court granted him until June 21st to retain new counsel.
10 Defendant did not meet that deadline. There's been no
11 appearance of counsel. We haven't heard a peep from defendant.
12 And thus, we've, we've moved for a default again under Rule 55,
13 which is now pending at docket 73.

14 THE COURT: All right. And I believe when we were
15 here the last time the Court let, let defendant know that they
16 had to have a lawyer or this matter -- they risk this matter --
17 a default judgment being entered, is that correct?

18 MR. SEARS: That's correct, Your Honor. And as the
19 Court may recall, we actually went through the same process
20 last fall. The defendant initially did not respond to the
21 complaint.

22 THE COURT: Correct.

23 MR. SEARS: Showed up at a status conference, said
24 he'd retain a lawyer. Missed the deadline to do that. The
25 Court entered a default. And then once we filed our, our

1 motion for a default judgment, which as the Court knows, is the
2 second step of that process --

3 THE COURT: Correct.

4 MR. SEARS: -- he finally got a lawyer I believe the
5 day after Thanksgiving on the eve of the hearing on that
6 motion, and nominally participated in the case for a few months
7 before his lawyer left. So this -- I think the defendant is --
8 I can't speak for him, but he seems to be aware of the
9 consequences of not participating in the lawsuit.

10 THE COURT: Well, as long as the record shows we've
11 attempted to make him aware, that's what's important to the
12 Court. And so there was the withdrawal of counsel. And since
13 that time he had a definite amount of time to be able to get
14 someone else in, and no one is present that we know of. No
15 one's floating around the building. And so if that's the case
16 and not hearing from him, the Court is going to grant your
17 motion for default. All right.

18 MR. SEARS: Thank you, Your Honor. And as we did
19 before, we will follow up with a, a formal motion for default
20 judgment. While we have the Court, could I just make one other
21 request --

22 THE COURT: Yes.

23 MR. SEARS: -- or note for the record.

24 THE COURT: Yes.

25 MR. SEARS: Your Honor, we have a real concern that

1 what happened before is going to happen again. That we're
2 going to spend the time and money putting together a motion for
3 default judgment. We take these very seriously. We try to do
4 them efficiently, but they do, they do take up time and money.
5 And we spent a lot of time and money both litigating this case
6 on behalf of our clients and responding to the defendant's own
7 discovery requests. We're concerned that we're going to go
8 through that process again and we're again going to be in a
9 position where the defendant reappears and says he wants to
10 participate in the case.

11 If that happens, I, I just want the Court to be aware
12 that we'll want to make a request that there be some kind of
13 consequence. Perhaps defendant posting a bond pending judgment
14 to incentivize him to participate in the case going forward.
15 We're happy to make that in a formal motion when the times
16 comes, but I wanted to put that on the Court's radar. We have
17 a real concern about the defendant's participation in the case
18 and his ability and willingness to pay any judgment sorted
19 against him.

20 THE COURT: And the Court appreciates your statement,
21 Counsel, but also this will be the second time. COVID is now
22 on the wane. I mean, before it wasn't. And so the Court sees
23 no reason why I would allow him to disrupt the order that was
24 entered very appropriately, and indeed for a second time. So I
25 don't even know if we're going to get to the point where I

1 would be letting somebody back in at a later date. All right.

2 MR. SEARS: Thank you, Your Honor.

3 THE COURT: All right.

4 MR. SEARS: I appreciate it.

5 THE COURT: All right. So if that happens, though,
6 the Court will take it under consideration, but it would take
7 something extraordinary for me to change at this point. All
8 right.

9 MR. SEARS: Thank you, Your Honor.

10 THE COURT: All right. Thank you. Thank you all.
11 Have a good holiday.

12 MR. LAKIN: Thank you, Your Honor.

13 THE COURT: All right. Take care.

14 MR. SEARS: Thank you.

15 CERTIFICATE

16 I HEREBY CERTIFY that the foregoing is a true,
17 correct and complete transcript of the proceedings had at the
18 hearing of the aforementioned cause on the day and date hereof.

19

20 /s/TRACEY D. McCULLOUGH

July 1, 2021

21 Official Court Reporter
22 United States District Court
23 Northern District of Illinois
24 Eastern Division
25

Date